GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1431
ANSWERED ON:03.03.2000
LOAN DEMANDED BY STATES
LAXMINARAYAN PANDEY

Will the Minister of FINANCE be pleased to state:

(a) the total loan demand made by each State Government during the last two years;

(b) the total loan amount sanctioned to the State Governments during the above period; State-wise; and

(c) the reasons for not sanctioning the required amount of loan to the States?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

SHRI BALASAHEB VIKHE PATIL

(a) to (c) : Plan Assistance as approved by the Planning Commission is released to the States as block loans and block grants. The loan component of Central Plan assistance released to the states in the last two years, state-wise, is indicated in the Statement given in the Annexure. Apart from the plan assistance and devolution under the Finance Commission`s recommendations, Government of India provides Ways and Means Advances to the State Governments to take care of any temporary mismatch in receipts and expenditure during the course of the year.

Some State Governments had requested for additional assistance/medium-term loans in view of fiscal stress being faced by them consequent upon implementation of the recommendations of the Fifth Central Pay Commission. Government of India assisted the States facing fiscal stress by advancing plan and non-plan assistance linked to a package of fiscal reforms to be initiated by the States. During the current year Government of India has also extended Extended Ways & Means support to those States who have finalised acceptable and monitorable fiscal reform programmes.